October 7, 2005,

Members of the Council of The John Birch Society Members of the Board of Incorporators, JBS

Gentlemen,

After four years as a Coordinator, a half dozen years as Chief Operations Officer under Tom Gow and Vance Smith, four additional years with Speakers Bureau, Summer Camps, and other duties, I have spent the last 3 years helping to create Robert Welch University. With over 17 years of varied experience in the field and office, I have a very broad base from which to make observations of the management of the JBS and RWU operations.

In addition to my experience with JBS and RWU, for the past 13 months I have also been taking online courses at the University of Phoenix, the premier online university for business education in the world. My course of study has been in Business Administration, aiming ultimately at a Masters in Educational Administration. The original purposes were threefold: one was to gain additional formal knowledge of business and educational management for the benefit of RWU; second, to improve my own credentials in serving RWU by obtaining an advanced degree in the field; and third, to learn as much as possible about a first-rate and highly successful online university. I could see no better way than firsthand, as a student.

With 250,000 students, and still growing, it's apparent the University of Phoenix is doing something right. Their success is clearly tied to their philosophy: hire good people, give them freedom to excel, and then take good care of them. Both my professional experience (before and during my JBS and RWU career) as well as the work in my professional degree program have served to remind me that really effective managers of successful concerns follow a clear set of management principles. These include, but are not limited to: solid budgets, empowerment of managers, clear written goals, honest reports, open meetings, sound and consistent decision making processes, and above all, a deep respect, care and concern for an organization's "human capital," the people who make up the most important asset of any organization.

These are all things that were lacking in varying degrees in the operations in Appleton when I came here in 1992. The freedom to make decisions was unknown. All decisions were and, to a large extent, still are micro-managed. Budgets are talked about but until very recently have never existed at any level in practice. The condition worsened each year under Vance Smith's management. Budgets at RWU are ignored by Mr. Smith. Operating under these conditions has been, and is intolerable.

Mr. Smith has often stated in my presence that: "raising money for brick and mortar is easier" and that "people like to give for brick and mortar campaigns." Yes, he was CEO when many of our great members and donors generously provided money for a building. But we use only five offices in that building, and have little or no budget for operations.

Another brick and mortar campaign will not solve the problems of operations funding just as the original successful brick and mortar campaign did not provide funds to launch and operate the university as it was planned and designed. A hollow shell without personnel, instructors, advertising, or students accomplishes nothing. Mr. Smith's fundraising is one-dimensional, and takes the easy way out.

What this comes down to is simply this: If you don't spend money blindly to make your project or department move forward, you are eventually attacked for failing to perform. If you do press forward, you must fight (and waste time) for permission for each line item and purchase. When the money dries up, or times get hard, you are labeled a spendthrift. If you budget, as RWU tried to do in our operations and Business Plan, the plan is negated by the lack of upper management planning and budgets or fundraising failures.

Worst of all he is the instigator of the increasingly callous treatment of people who leave all to join the staff in the field or office. One such outstanding addition to the staff in Appleton, Manager of Office Operations Chris Bentley, once expressed to me his concerns about the corporate culture at JBS: "People should know in advance, before making such sacrifices to come here for the cause of freedom, how they will be treated." What a sad commentary on our workplace. Mr. Bentley, who has an MBA, has recently resigned from the JBS staff.

Much has been said by Mr. Smith and his supporters about Bill Jasper, Larry Waters, Jim Fitzgerald, Bill Cherry, Jack McManus, and the many other staff among those who call for Mr. Smith's resignation regarding their supposed lack of experience in business and administration. Mr. Bentley certainly has the credentials, experience, and education, and has managed the JBS Appleton operations. It is doubtful that he would make such a sacrifice, and then reverse his decision and move back to his hometown if this problem were not severe.

Most of you are now aware that a battle has been raging. It is a battle between a large proportion of the senior and other staff of the JBS in both field and office, and Vance Smith, who is supported by a handful of employees (some of them family), and a few members of the Executive Committee. Most of these people I am afraid have not done their homework.

The primary issues are leadership and character, poor management, and shoddy treatment of the staff of The John Birch Society and Robert Welch University, our greatest assets. The impact of Mr. Smith's personality and management style on the people who work for him, and the resultant effect on their productivity and morale is striking. A substantial and growing movement has formed out of this abuse and is rightly calling for his resignation.

During recent days many of us have been subjected to confrontations with Vance Smith and others in his efforts to retain his power and control. Despite my personal feelings on all this, when the opposition began forming, I tried to stay out of this fight. Losing a bloody battle might well seriously damage the organization forever. Risking further damage to a slowly strangling RWU was also very heavy on my mind.

People under his control know that Mr. Smith will fight to any degree, use any tactics, and cause the organization to pay any cost in order to retain his power and position. Many of Mr. Smith's opponents within JBS staff and volunteer leadership and within RWU have

developed a great fear of Vance Smith, due to his frequent use of anger, threats, and recrimination. Many are very reluctant to come forward with the truth. Most know that doing so may mean being removed from the freedom fight at JBS forever, a crippling blow for a patriot and Bircher.

At the age of 53, risking my support of my family, wife and children to express my deeply held convictions on this issue is a considerable quandary. I love JBS and RWU, working with youth, and feel very strongly that we have a God-given opportunity to turn the tide in favor of freedom. Losing my opportunity to participate in all that, along with my job, would be a horrible thing.

So, I have consistently expressed my clear loyalty to the JBS, to RWU and to the missions of these organizations. I have just as pointedly avoided expressing any loyalty to the man, Vance Smith. I have been pressured several times to do this. I have stated that he is the CEO of the JBS, and as an employee, I am under obligation to the legitimate authority of that office. At the same time I have been haunted by my reluctance to speak out about his abusive and manipulative tactics that continue to drive good people away from the organization.

Just for the record, I have received no pressure for support from those who believe Vance Smith should step down, including Bill Jasper, Art Thompson, John McManus, Larry Waters, Bill Cherry, and a host of others in the field, office, and among the Council. This is true, even as Mr. Smith has fired staff, and engineered the dismissal of Council members.

Last week, however, Paul Smith presented me with a stack of letters on orders from his father, Vance Smith. I had not seen any of them before that day. I read and returned them as directed, without making copies or sharing them with anyone. However, in reading them each several times, I learned of the distortions and lies being circulated regarding Vance Smith and his "great leadership" of JBS, and RWU. I read the personal attacks leveled at a growing number of great men within our ranks who seek his removal. I can stay silent no longer.

On the day that Art Thompson was fired, Gregg Smith was in my office discussing possible fixes for the problem of lower camp attendance. Gregg expressed a clear admission of failure on his part and the part of the field staff in general in providing sufficient numbers of campers this year, something his brother Paul has also expressed. I related some considerable frustration that his father has continually badgered RWU to "come up with a plan to guarantee that you will not continue to hand the organization failures" in this area. In previous meetings I provided hard numbers showing that RWU had produced 49 campers by our own efforts, up from 9 the previous year. We also cut costs quite substantially. In contrast, the field, tasked with a goal of 522 campers in 2005, had produced 303, a shortfall of 40%. An overtaxed field staff with conflicting orders from headquarters, a lack of focus, and more to do than can be accomplished should not be blamed, but management surely should.

Gregg postulated that the extreme and constant shuffling of personnel, and decisions by his father regarding his own position and duties were much to blame. To his credit, he offered to take full responsibility for this year's failure, and to guarantee success to his father in 2006. We agreed that the primary responsibility to recruit lay with JBS field staff, since

RWU has no field staff. I agreed that RWU would try to improve marketing, and in-house efforts to supplement field efforts. Ironically, he was in the midst of confirming the unfairness of the attacks by his father on RWU and me when he was interrupted by a cell phone call. He had just stated that: "There was nothing RWU could have done to make this situation better" and "I don't know why he (Vance Smith) acts like that." At this point in this conversation, Gregg received the call from his father, left abruptly, and did not return.

I had arranged to pick up some books donated to RWU by a volunteer from Tom Rice that evening. Tom was staying at a local motel frequented by JBS employees from out of town. After loading the books, I checked with the desk for John McManus' room number. I had previously offered to drop by and say hello as I have done in the past when he is in town. It was then that I learned of Art Thompson's firing and the battle that had begun. I talked briefly with Jack, and then sought out Art, who was also staying at this regular JBS lodging spot. I expressed my own frustration at the treatment that he, many others, and I have received at the hands of Vance Smith. After a short time, I drove home.

Early the next morning, I was summoned into a special meeting in Vance Smith's office. I was then quite shocked to be offered a permanent assignment as Director of RWU. RWU Director is a position I've been temporarily and partially performing since Steve Bonta departed, in addition to my other duties as Administrative Services Director. This offer was a great surprise to me. You must understand that it was coming from a man who for a period of almost four years, frequently threatened me with the sentiment that "we can't afford your salary" even while publicly praising efforts and projects with which I have been involved. Then Mr. Smith offered an in-house visit by my favorite candidate for Director, Dr. Lisa St Louis, and another surprise. I was told I'd be supervising her in an altered position designed for this new arrangement, if she was hired. I was flattered but very suspicious, as the position once held by Dr. Bonta quite clearly required a person with a Ph.D. in a suitable field. I do not yet possess an advanced degree at all.

While still contemplating this, Mr. Smith suddenly asked me if I "was aware of, or had participated in organizing a 'coup'." I truthfully responded that I had not organized or initiated a coup, which those involved can certainly confirm. The meeting was then quickly concluded with some vague promises to have Paul look into the visit by Dr. St Louis. It became clear that this was a carrot and stick approach to buy loyalty in the coming battle.

Later that day, I was pressed a second time in a more threatening phone call from Mr. Smith regarding "where your loyalties lie." He indicated that my name had been mentioned as someone who was not happy with his management. I truthfully indicated that I had not authorized the placing of my name on any such list, and that I had not signed any such documents. I openly indicated that I'd discussed my unhappiness with his treatment of people with a number of others in the past, including some very, very close to him. I told him that a number of them could certainly add my name to such a list on their own. Most if not all of the senior staff had exited his office in dismay and distress over his treatment of them in the past several years.

I reminded Mr. Smith that I had also written numerous letters at his request in the past on his behalf during several other attempts to remove him. I felt at the time that these were attacks on the organization as a whole. As I reflect, it is interesting that those accusations also stemmed from his alleged mistreatment of others. The details from those situations were entirely provided to me by Vance Smith and his supporters, and my letters of support

were based on that information. Perhaps this is why the letters by Keith Van Buskirk and other members of the Executive Committee which are circulating are so quick to judge and so one-sided. Perhaps they have only one source of information as well.

A third call that day was even more oppressive, with a very ominous and threatening tone, and in that call the offer of the Director's position from that morning was withdrawn. Also withdrawn was the visit from Dr. St Louis. Playing games with Dr. St Louis in order to threaten me personally was very unprofessional of Mr. Smith. It also irresponsibly jeopardizes vital RWU operations, since Dr. St. Louis is now teaching several of our Greek and Latin classes. Not only is she an outstanding, internationally recognized classical linguist, but, in addition enthusiastically embraces the freedom philosophy of JBS and RWU. She is a tremendous "find" for RWU and finding a replacement of her caliber and commitment to our ideals would be extremely difficult, to say the least. Yet, over the past several months I have repeatedly been put in the embarrassing position of trying to explain to her why she is being treated like a yo-yo with regard to Mr. Smith's consideration of her for the Director's position. We have already lost Dr. Bonta. This kind of shabby treatment could end up costing us Dr. St Louis' candidacy for Director, along with her willingness to continue as an RWU professor. PhD academics who embrace RWU's philosophy do not grow on trees; we cannot continue to abuse them.

On a subsequent day, I was asked quite unexpectedly by Mr. Smith over the intercom to "come over and meet with Paul and me for a few minutes." His tone was light, and nothing was said about others being present, or the purpose of the meeting. When I arrived, not only Mr. Smith and Paul Smith were present, but his other primary supporters in this fight, Tom Gow and Gary Benoit were there also. Again, I was told that my name had appeared on a list of supposed "coup" supporters and participants. I somewhat angrily expressed my loyalty to the organization of the JBS, and RWU, while avoiding expressing loyalty to Vance Smith. When asked a specific question in this very inquisition-style confrontation, I truthfully indicated that I had not told Mr. McManus that "Everyone at RWU was going to quit en masse if Vance Smith wasn't fired."

I would never make such a statement, as I certainly cannot speak authoritatively for others on such a serious matter. The statement was rephrased by Mr. Smith to put it in the most extreme light. In fact, I had not made that particular statement to Mr. McManus. I answered truthfully. I am not a liar, nor is John F. McManus. I had privately expressed my concerns to Jack, as I have to others over the years about the morale of the JBS and RWU staff, and the treatment of others by Mr. Smith. I had also mentioned the fact that most of us at RWU were polishing up our resumes in uncertainty of our survival, due to the lack of real support for the effort by Mr. Smith. There are grave doubts about corporate will to allow us to succeed under his leadership.

Mr. Smith then abruptly dialed Mr. McManus, and confronted him in front of the others, in effect, calling him a liar, and using my statement to make his case. He then asked me to confirm the statement I had just made, putting me in a horrible position. I reluctantly confirmed that that particular statement was not mine. To his great credit, Mr. McManus did the gentlemanly thing. He indicated that he had construed other comments to mean something to that effect, confirming that I hadn't said precisely those words. My effort to avoid open opposition to the CEO had been used against me, and against a good friend. Mr. Smith has proven to be an expert at driving wedges between co-workers and friends in the JBS staff ranks in just such a manner; I've experienced it often.

Unfortunately, as the letters from Mr. Smith's few supporters show, this exchange has been used to draw a conclusion that Mr. McManus is a liar. This accusation is false. I reiterate that Mr. McManus is no liar.

A few days later, I was asked by Paul Smith to produce a letter of support for Vance Smith, indicating that others were doing the same. Paul expressed directly that his father, had suggested that such a letter would be helpful to him in his battle. I declined, and expressed great dismay over the methods that had been employed in this fight thus far, including the inquisition-style attack on Mr. McManus. Paul pressed again, repeatedly, and indicated that both he and Mr. Smith felt that a letter from me, contending that the accusations were false would be very helpful. In further conversation there was also a hint that his father might not be pleased with my refusal. Still, I declined, asking to be allowed to remain out of this fight, and refusing to attack a number of great men that I consider good friends and patriots.

On Thursday September 29th, Paul delivered the packet of letters, a few selected ones from the opposition and a number of the ones written by Mr. Smith's supporters. This was another clear effort to convince me to join the battle on his side. After reading the letters, it became clear that this battle has become a fight for the survival of JBS and RWU and that at least some people are serious about ending the reign of fear that Mr. Smith has presided over. I realized that I've been trying to sit safely on the sidelines while other brave individuals have risked all to right innumerable abuses. I was wrong, not everyone is afraid of Mr. Smith, and more join the ranks each week.

I have experienced repeatedly malicious treatment and unprofessional behavior from Mr. Smith. I've been publicly humiliated when decisions that were clearly mine were ridiculed openly in meetings with my colleagues. My abilities and personality have often been attacked behind my back. I've been yelled at, insulted, publicly verbally attacked, even in front of subordinates, and had rumors and personal attacks leveled at me by Mr. Smith to fellow managers.

One such situation involved my former Administrative Assistant. She was waiting in the reception area at about 5:40 PM, after hours, for a ride. Because she was seated out of sight, Mr. Smith did not know she was there. He approached a manager, and initiated a discussion of my personal shortcomings, including personal insults regarding my physical attributes. The young lady confronted him immediately, a brave move for a clerical employee, and told him he was unprofessional, and immoral, and should not be CEO of such an organization as the JBS. She then reported all this to me, and offered to write it up and sign it. She did so, and I still have the original of this document.

In a later meeting with my supervisor, Tom Gow, and Vance Smith, rather than issuing an apology, Mr. Smith threatened my continued employment, angrily railed at me about "writing up the CEO" and shortly thereafter demoted me even further. Part of this process involved removing duties and taking my administrative assistant away, claiming that I "didn't really need her." Incredibly, she was then assigned to the very person who had been engaged in that scurrilous conversation with Vance Smith. The abuse she took in that capacity one can only imagine, but she only lasted a few weeks before resigning.

Much of the current morale problem at RWU stems from the long-term mismanagement of Dr. Steve Bonta by Mr. Smith. I have read Dr. Bonta's letter addressing this situation. I can personally confirm a great deal of what he wrote. The obstructionism of Vance Smith against RWU is something to which all of us can attest. Fundraising supervision for RWU is Mr. Smith's sole responsibility – by his own insistence – and he has failed. Decisions have been made in complete ignorance of, and in direct conflict with immediate RWU operational needs. Some of these decisions include withdrawing nearly all of the marketing support and spending, in the critical months just prior to launch.

Upon Steve Bonta's departure, Mr. Smith issued orders through our accounting department that "all expenses over \$4.99 be channeled through Paul Smith" – a man who knows comparatively little about our operations. This clear lack of confidence in me and blind faith in nepotistic supervision makes the offer of the Directorship above even more suspect. The lack of corporate will to help RWU became clear when I learned that our Development officers were prohibited from raising RWU funds, unless a donor INSISTED on tax deductibility!

In late August, the lack of belief of JBS management in what we had built at RWU became crystal clear. After having NO mention of RWU in the JBS Bulletin in August, Tom Gow informed me that he and Mr. Smith were "so concerned about the viability of RWU in the wake of Steve Bonta leaving, and that they weren't sure they were going to publish anything about RWU in September"! Only a vocal protest and assurances about RWU "viability" resulted in publication of a small piece for our historical launch month.

Mr. Smith has claimed near total credit for the advancement and progress of RWU. Quite the opposite is true. He introduced many stumbling blocks to our progress quite constantly during our initial planning stages. His tactics included stalling processes, insisting on micro-managing decisions, delaying approval of expenses and stonewalling the completion of the Business Plan. If anything, he nearly sabotaged the launch schedule single-handedly. When Steve Bonta exerted his considerable talents and pressed for completion we finished the business plan quickly. It then took many weeks to get approval, even though few if any changes were made in the plan.

Dr. Bonta had collected a group of very dedicated and talented staff, and we began moving rapidly along the course to success. Time and time again, Dr. Bonta had to stand between Mr. Smith and RWU to prevent the institution of the same morale-destroying management style that has permeated JBS operations. Mr. Smith fought each hiring, major purchase, and decision, making Dr. Bonta's management increasingly difficult and frustrating, despite the success we were achieving!

During this period of nearly three years from the move into the building, to the launch, Mr. Smith's visits to RWU were quite infrequent, and most of them were to attend JBS meetings in the RWU conference room. He still knows almost nothing about our operations or structure, or the enormous effort that launched this university. But he could not deny our progress as we met goal after goal.

However, this performance and progress did not keep Mr. Smith from making the insulting comment to me after Dr Bonta's departure that "nobody at RWU ever looked very busy to me!" How would he know? He attended a few JBS meetings in the RWU conference room, but rarely ever spoke to anyone in our building. Why not judge us by our results

rather than some arbitrary observations that mean nothing? RWU has pulled off a minor miracle, thanks to Steve Bonta's style of management. This style of management is lauded by experts: Hire good people, trust them, empower them, and let them succeed, even if it means occasional mistakes. The triumph of Wisconsin State approval without compromise and the successful launch are testimony to the very success of Dr. Bonta's management style, and the value of a good corporate culture at RWU.

In contrast, we are being slowly strangled by the Mr. Smith's heavy-handed method of people management. Can Mr. Smith claim similar success in any of the many projects launched at JBS over the years? A few of you may have been deceived into believing that the success of RWU has come about due to the brilliant vision and leadership of Vance Smith. To the contrary, what success we have achieved has come about despite the oppressive management and constant undermining of our work by Mr. Smith, along with his failure to raise funds for the university.

I will provide here just a few examples — out of dozens I could cite — of the impact of his management style.

First, according to our RWU Business Plan, approved and agreed to by Vance Smith, the launch phase was to be accompanied by the hiring of several critical support personnel. Among these was an enrollment counselor or "hand-holder," critical for developing prospects and for walking students through the process during the last few months. Another critically important position was an RWU fundraiser to develop and expand independent support. Given Mr. Smith's failure to raise funds, this person's role could have been critical. But instead of hiring this sorely needed help in this critical phase, our staff was actually cut by the abrupt departure of Steve Bonta. Jesse Frickenstein issued an email from camp in Utah to the faculty containing the "company line" regarding the reason for Steve's departure. But Mr. Smith became angry that we appended an appeal to these natural candidates soliciting applications for a replacement. Our already part time receptionist (my 17 year old daughter) was let go and the agreed-upon hires were denied.

There has even been subsequent foot-dragging in the effort to replace Steve Bonta, perhaps due to Mr. Smith's failure to raise funds. Mr. Smith received an application from Dr. Lisa St Louis, for example, on July 5th, interviewed her on August 9th, and she is still waiting for a response! It was only this week – after coming under fire from Dr. St Louis for his unprofessional delay – that he finally arranged for her to visit Appleton to complete the interview process. Unfortunately, in the current climate, this may be a ploy to placate Dr. St Louis and the staff at RWU, and to prevent public discovery of Miss St Louis' unprofessional treatment, and perhaps the dire financial condition caused by Mr. Smith's failure to raise funds for the launch. This behavior not only jeopardizes our relationship with Dr. St Louis and other faculty members and prospective faculty members, but also endangers our favorable relationship with Wisconsin's state certification officials, with whom we have worked closely and gone to great lengths to cultivate a good rapport. RWU certification will be jeopardized as instruction continues without credentialed leadership.

Second, the stated budget in the Business Plan for marketing called for over \$80,000 at launch, plus an additional \$25,000 to be spent on marketing in our first year of operation, a total of well over \$100,000 for the marketing program. Even this is a very modest sum for launching a university. But this budget was reduced to barely \$30,000 for *both* years, on the flimsy excuse that the marketing launch was planned for 2004 therefore we should not

expect it in February 2005 when the marketing launch actually occurred. Repeated requests for this planned support were met with either characteristic anger or on at least one occasion by promises from Mr. Smith as late as the end of 2004. After one of his rare appearances at the RWU building for a JBS field staff meeting, he and I spoke in the parking lot. I expressed concern over marketing funds. "Don't' worry" he told me, "the money will be there." It never was.

This crippling of the launch marketing and blatant violation of the business plan has been followed by further cuts, cancellations of ads, promotions, and homeschool conference reservations. We missed a Texas conference specifically organized for 2,000 or more Christian youth who are looking for a college. The cost? Just \$250 for a booth, plus \$350 to \$450 for travel and expenses. Incredibly, amid all these marketing cuts and personnel shortages were fierce and repeated threats regarding "not making payroll" and demands and tongue-lashings that we nonetheless "had better meet the goals and produce the stated results of 50 students" from the same business plan at launch! So, we, the RWU staff were being held accountable by the CEO to deliver on the goals set in the Business Plan, but the CEO refused to be held accountable to deliver the resources he had agreed to which would enable us to reach those goals.

To illustrate the lack of any management supervision or involvement by Mr. Smith I can attest that he has never obtained or requested passwords or access to the Moodle learning management system. Never to our knowledge has he ever visited any of our websites, and recently he didn't even know enough about our program to prevent the promotion of courses that don't even exist at one of the Reclaiming America seminars. His burial of the real RWU is evident when you realize that no RWU employee has spoken at any of these conferences since Steve Bonta's departure. His entire involvement with RWU was primarily negative. He claims credit for the fundraising for the building, but it was our loyal donors and their vision of a university very similar to Dr. Bonta's vision, who generously provided this support. Our fundraisers, most of whom are now among the ranks of the movement to remove Vance Smith, can attest to lost opportunities to market the most exciting thing our organization has done in many years, if not decades, namely Robert Welch University.

Dr. Bonta's distress at the time he left was clear to everyone in the building that day. His real reasons were later communicated to me at a summer camp I was managing in Utah, first by voicemail and then in a phone call from Dr. Bonta himself. The law school rumor that has been spread is simply convenient cover for Mr. Smith. All Dr. Bonta really indicates in the voicemail that is constantly replayed was that he intended to take the L-SAT test, a one-day event, because a law degree might allow him to make a good living. The portion of the e-mail memo from Jesse Frickenstein explaining Dr. Bonta's departure was dictated by Mr. Smith himself. The voicemail and email are now put forward by Mr. Smith as evidence that law school was Dr. Bonta's motive for leaving. Mr. Smith, who is President and CEO of RWU, as well as JBS, has made a feeble attempt to use Jesse and me as part of that cover. The real reason was the treatment received by Dr. Bonta at the hands of Mr. Smith. A six-page personal letter describing this has been written by Dr. Bonta and is now circulating. It is a breath of fresh air, and contains the truth about the battle for the launch of RWU, and the circumstances of his departure at last. If you haven't seen a copy I will gladly provide one.

The last few weeks, before our historic opening day of classes in September, were especially hectic and critical. Without the support personnel and promotion funds agreed to in the Business Plan, our RWU staff worked tirelessly and heroically to meet the goal of 50 students. The registrations were coming in and we were struggling toward the goal. Incredibly, instead of cheering us on and expressing his moral support (since he had already failed in his material support), Mr. Smith repeatedly and arbitrarily changed the definition of what constituted a "student," in complete contradiction to the student definition according to both the Business Plan and the State of Wisconsin. He insisted we were failing to meet our goal and that we were going to be held accountable for our failure.

When opening day arrived and we <u>didn't</u> fail — despite all roadblocks he had put in our path — Mr. Smith's praise for the unsupported success of RWU consisted of a 20-30 second voicemail. That was followed in a meeting the very next work day by a blistering demand made on RWU to "solve the problem" of camp attendance, something his own sons admit was not an RWU failure.

Mr. Smith has two sons currently holding high positions in the Society, and one had just been in the room with us during a recent meeting. Incredibly, Mr. Smith had the gall to then make derogatory comments about "nepotism" regarding Steve Bonta when looking over financial records that showed that Steve's wife was paid to proofread several courses for RWU. Nepotism in the form of occasional part time work is one thing, as a matter of fact, my daughter worked a few hours a week for a few months at RWU for a modest hourly wage. However, positioning family in key power positions is entirely another. Yet it seems his concerns about nepotism only apply to those he wishes to demonize, and not to himself and his family.

Support for Mr. Smith among employees in the office and field is very, very thin. A good number of employees have stepped forward to call for his resignation. A number of others quietly support that call. Many more who would applaud his departure remain afraid to speak out in fear of retaliation if Mr. Smith manages to retain his position. I fear that the ranks of the JBS and RWU staff will be very, very, sparse should he prevail in that pursuit. How does anyone excel under such conditions? How much productivity and innovation is lost to disillusionment and despair after years of such grossly unfair and arbitrary treatment? How much further along in our battle with the Insiders might we be without this dark cloud hovering over nearly every manager and employee?

I imagine the few supporters whose letters in support of Mr. Smith I saw surely feel the threat of losing jobs, and/or incurring a famous and considerable ire that has been leveled at them in the past. They certainly should not possess deciding votes in important bodies in a case like this. It smacks of an Enron-type cover-up of mismanagement. I've personally observed some very nasty treatment and many behind-the-back snide attacks on Tom Gow by Mr. Smith. I was even drawn into it myself on occasion for a time, until I realized I was being manipulated to attack someone I worked for and admired. His loyalty frankly baffles me. Gary Benoit and I were joint recipients of a public dressing down in front of people who reported to me on at least one occasion. A number of us have heard several critical attacks by Vance Smith on the magazine and on Gary himself, when Gary wasn't present. The loyalty of both is sadly misplaced.

Mr. Smith's other two on-staff supporters not only risk loss of jobs, but also are members of his family, risking long-term problems with their father. I wish no ill to Paul and Gregg, though their predicament certainly illustrates one downside of nepotism at high levels. I'm absolutely certain that in their hearts, were they free to speak, they could testify about personal attacks and abuse, their own and others. A number of us have observed their struggle to get along with their own father, a fact that is known to many in the field as well.

Many men have risked their paychecks and their positions in the JBS freedom fight by opposing their Mr. Smith's continued mismanagement of the Society. Paul is not only serving as a chief lieutenant for his domineering father, but is dependent on that same father for his paycheck. Obviously there is a strong conflict of interest here, with Paul wanting to please his father, maintain peace in the Smith family, and provide for his family in the manner to which he is accustomed. All of this underscores the sad fact that Mr. Smith's placement of his sons in high administrative positions under his authority is a violation of one of the most basic tenets of business administration, an area in which Mr. Smith claims to excel.

For my part, I am finally at peace in my own soul with the issuance of this letter. I have prayed much, thought a great deal, and lost a good deal of sleep before taking this action. I did not initially wish to engage in this battle. I did not want to be in the position of speaking out about the man in charge of The John Birch Society. I initially simply hoped to continue to work with The John Birch Society and Robert Welch University for the balance of my life.

But this climate of fear and suppression of ideas and thought should not permeate The John Birch Society. It is ironic that the Society's flagship magazine, *The New American*, uses this phrase on its masthead: "That Freedom Shall Not Perish." Not only is it perishing in our nation, but it is perishing in our own organization. With this letter I add my voice to the call for Vance Smith's resignation or removal by the Board of Incorporators as CEO of the John Birch Society, and Robert Welch University.

Sincerely,

Alan J. Scholl

Administrative Services Director & Acting Executive Director

Robert Welch University

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